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THE ARAB REFUGEES AND OTHER
PROBLEMS IN THE NEAR EAST

REPORT

OF

THE SPECIAL STUDY MISSION TO
THE NEAR EAST

COMPRISING

Hon. Lawrence H. Smith, Wisconsin, Chairman

Hon. Winston L. Prouty, Vermont

OF THE

COMMITTEE ON FOREIGN AFFAIRS

PURSUANT TO

H. Res. 113

A RESOLUTION AUTHORIZING THE COMMITTEE ON
FOREIGN AFFAIRS TO CONDUCT THOROUGH STUDIES
AND INVESTIGATIONS OF ALL MATTERS COMING
WITHIN THE JURISDICTION OF SUCH COMMITTEE



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SPECIAL STUDY MISSION TO THE NEAR EAST

LAWRENCE H. SMITH, Wisconsin, *Chairman*
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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C., February 25, 1954.

This report has been submitted to the Committee on Foreign Affairs by a special study mission which undertook a study of the problems of the Arab refugees from Palestine, other causes of tension in the Near East, and the operation of United States aid programs in the area.

The findings in this report are those of the special study mission and do not necessarily reflect the views of the membership of the Committee on Foreign Affairs.

ROBERT B. CHIPERFIELD, *Chairman.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C., February 8, 1954.

HON. ROBERT B. CHIPERFIELD,
*Chairman, Committee on Foreign Affairs,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: I am submitting for consideration by the Committee on Foreign Affairs the report of the Special Study Mission to the Near East, which visited the Near East September 27 to November 2, 1953. The study mission comprised the undersigned and Representative Winston L. Prouty, Vermont.

I hope that the observations and recommendations of the study mission will be useful to the committee in its consideration of legislation relating to this area.

LAWRENCE H. SMITH, *Wisconsin,
Chairman.*

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THE ARAB REFUGEES AND OTHER PROBLEMS IN THE NEAR EAST

FEBRUARY 25, 1954.—Committed to the Committee of the Whole House on the
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Mr. SMITH of Wisconsin, from the Committee on Foreign Affairs,
submitted the following

R E P O R T

[Pursuant to a resolution (H. Res. 113) authorizing the Committee on Foreign
Affairs to conduct thorough studies and investigations of all matters coming
within the jurisdiction of such committee]

THE ARAB REFUGEES AND OTHER PROBLEMS IN THE NEAR EAST

INTRODUCTION

A special study mission of the Committee on Foreign Affairs, which included the Honorable Lawrence H. Smith, of Wisconsin (chairman), and the Honorable Winston L. Prouty, of Vermont, visited the Near East last autumn. The study mission arrived in Egypt on September 27, 1953, and left Beirut, Lebanon, November 2. It visited Egypt, Lebanon, Syria, Iraq, Iran, Kuwait, Saudi Arabia, Jordan, and Israel.

The study mission talked to government officials and other leaders in all the countries visited, and drove over many miles of desert roads visiting country villages, refugee camps, and development projects. This report sets forth the observations and recommendations of the study mission.

I. PURPOSE OF THE STUDY MISSION

The primary objective of the study mission was to study the problem of the Arab refugees from Palestine. The mission also gave consideration to other causes of tension in the Near East and to the operation of United States aid programs in the area.

II. HISTORY AND CHARACTERISTICS OF THE AREA

Although the countries of the Near East which the study mission visited contain the valleys of the Nile and the Tigris and Euphrates, where the oldest civilizations known to history originated, and while many of the cities are mentioned in the Bible, the Near East must be regarded as an area of new nations. Except for Iran, all of the countries included in this report were part of the Ottoman Empire (Turkey) during the greater part of the period from the early 1500's to World War I. After the First World War, Lebanon and Syria were made French mandates and continued in that status until after World War II. The United Kingdom was given mandate over Iraq, Jordan, and Palestine at the end of World War I. The mandate over Iraq ended in 1936 but the other mandates continued until after the end of the Second World War. Israel became independent in 1948. Iran, while at least technically independent in modern times, has been traditionally under the influence of European powers—most recently, until the expropriation of the Anglo-Iranian Oil Co., the United Kingdom. Egypt came officially under British protection in 1914 and, although the formal status of the British was modified several times, it was not until the overthrow of King Farouk in July 1952 that the complete independence of Egypt was established. Saudi Arabia became an independent and unified kingdom after World

War I as a result of the efforts of the late King Ibn Saud. As a result, no near eastern country has had very much experience with self-government or with democratic institutions.

The fact that the Near East is the center of what is commonly referred to as the Arab world does not mean that it is a region of either racial or religious uniformity. Israel, which is today made up in large part of Jews of European background, is, of course, not part of the Arab world. There are many Christian Arabs, particularly in Lebanon, where approximately 50 percent of the population is Christian. There are a large number of minority racial and religious groups, such as the Druses and the Kurds. The countries of the Near East appear to be more homogeneous than they really are. Even the Moslem religion does not work entirely in the direction of unification. Iran is a Moslem country, with a larger population (17,000,000) than any of the Arab nations except Egypt. It is not Arab, however, and its people belong to the Shia sect of the Moslems. The Arabs are predominantly of the Sunni sect of the Moslems and regard the Shias as heretics. Even within the Sunni sect there is conflict. The people of Saudi Arabia are Wahabis, a sort of puritan, fundamentalist branch of the Moslems. They regard their coreligionists of the more westernized Arab nations as having forgotten the teachings of the Prophet.

To an American observer the Near East is an arid region, most of which can be accurately described as desert. The best watered area, frequently referred to as the fertile crescent, extends from the Mediterranean coast of northern Israel across Lebanon, the coast and northern part of Syria, part of Turkey and small parts of Iraq and Iran, and receives from 18 to 30 inches of annual rainfall. The major part of the region receives less than 8 inches of rainfall per year and much of the Arab Peninsula less than 4 inches per year. Practically all of the rainfall of the area falls during the months from November through April. The fertile crescent must be regarded as fertile only in comparison to the rest of the area. There is some basis for believing that in Biblical times the Near East had a better climate. The cutting off of the trees and the subsequent erosion has probably affected both the rainfall and the quality of the soil adversely. Certainly in contrast to the rest of the area, an area watered by streams such as that in which Damascus is located, undoubtedly has always appeared to be "a land of milk and honey."

III. THE ARAB REFUGEES FROM PALESTINE

A. REASON FOR EXISTENCE

As of June 1953 there were 872,000 Arab refugees from Palestine registered with the United Nations and residing in Arab countries. These people left their homes in Palestine at the time of the fighting between Israel and the Arab States in 1948. The Arabs say the refugees were driven from their homes by the Israelis. The Israelis say that the refugees left their homes voluntarily in response to the call of the invading Arab armies who assured them that they would soon return in the wake of victorious Arab forces. Disregarding any assessment of blame for what happened, the refugees have not been permitted to return to their homes in what is now Israel and their property has been taken over by the new state.

B. UNITED NATIONS EFFORT TO SOLVE THE REFUGEE PROBLEM

The United Nations assumed responsibility for providing assistance to the refugees, first, on a purely relief basis and, later, on the basis of relief together with a comprehensive resettlement program.

The contribution which the United States has made to the support of the Arab refugees and its relation to other contributions is indicated by the following figures:

Total United Nations contributions (United States included), beginning of program to June 30, 1953:	
Cash.....	\$151, 653, 244
In kind.....	7, 061, 091
Direct assistance.....	29, 969, 427
Total.....	188, 683, 762
United States contribution.....	109, 450, 000

The United States contribution is 72.2 percent of the total cash; the United States contribution is 58 percent of the total.

The United States has appropriated an additional \$44,063,250 for fiscal 1954. How much of this will be contributed depends on the need for funds for development purposes.

C. UNSATISFACTORY PROGRESS IN RESETTLEMENT

Almost no progress has been made in the official United Nations program for resettlement. The number of refugees in June 1953 was as large as in June 1951. As a consequence of the birth rate the number presumably will increase rather than decrease. Although money has been available to finance large-scale resettlement projects for several years, it was only in fiscal 1953 that any large sums (which had not yet been spent) were committed for this purpose. Four agreements have been signed with Arab nations which will involve the expenditure of \$111 million and will take several years to complete.

The primary reason for the lack of progress in resettlement thus far has been the persistent refusal of Arab leaders to consider any proposal other than that the refugees be allowed to return to their former homes. The suggestion that priority should be given to getting the refugees out of the camps before taking up other questions of Arab-Israel relations has been wholly unacceptable to them. For to have done this, in the Arab view, would have been to renounce all claim to the right of the refugees to return home. Moreover, with public sentiment so aroused over the refugee question, any Arab political leader suggesting an alternative to repatriation in what was formerly Palestine would have been ousted from office and, perhaps, have run the risk of assassination.

A further obstacle to resettlement is the extreme barrenness and poverty of the countries adjacent to Israel in which most of the refugees are located. These are Jordan, Egypt, Lebanon, and Syria. All of these countries are short of water, have large areas of desert, and possess little or no oil. Each has a large proportion of its own population existing at a minimum subsistence level. The only way to provide for large numbers of refugees in these countries is to bring additional land under cultivation. This involves large-scale, high-cost irrigation projects of a complex nature because the sources of water are so limited.

D. APPRAISAL OF THE CURRENT SITUATION

In the judgment of the study mission, however, there are a number of indications that action can and should be initiated immediately which would contribute toward the solution of the refugee problem. One element in the situation is the fact that 5 years of waiting and resistance have had an effect. Some of the refugees and Arab government officials are beginning to realize that holding out against all United Nations proposals is not certain to result in the ultimate return of the refugees to their homes. Approximately two-thirds of the refugees are not in camps under United Nations control as indicated by the following table:

Proportion of refugees in U. N. camps

Country	Number in camps	Percent	Total
Jordan.....	137,817	29.0	474,240
Egypt (Gaza).....	80,722	39.2	205,599
Lebanon.....	36,241	35.2	102,804
Syria.....	16,803	19.6	85,707
Total.....	271,583	31.3	868,350

The people not in camps receive United Nations rations but to some extent their integration into the life of the countries where they live has already begun. They have found some sort of shelter and usually some sort of part-time employment. The worst living conditions of refugees observed by the study mission were those of a group of families living in a mosque in Damascus. These people were in the mosque voluntarily in preference to a camp because they preferred to be in the city, with its opportunities for odd jobs and other attractions, than isolated in a camp in the desert. These people are living in misery but they are becoming part of Syria and they are not merely waiting for return to Palestine. When it is recognized that over 50 percent of these refugees are children under 15, few of whom retain any memory of life in Palestine, it can be seen that time is working in the direction of resettlement.

In addition, there is a growing realization that Israel is here to stay. The Arabs know that new settlements have been established all over Israel and that substantial improvements and capital investments have already been made. It is becoming more and more apparent that the return of the Arabs to their homes involves more than the issuance of a decree. Many of the refugees do not want to live under the Government of Israel. They feel that they would inevitably be second-class citizens. As people understand that there is no way of going back to life as it was before 1948 they become more receptive to alternatives.

The study mission found that the Arab nations regard the refugee problem as only one element in the larger problem of Israel-Arab relations. As will be pointed out in detail below, the study mission believes that it is futile for the United States to press for a solution of the refugee problem unless the solution is linked to other proposals which will contribute to the alleviation of tensions between the Arab States and Israel.

It is necessary to recognize that among the refugees, particularly those in camps, there is still great hostility to the United States and to the United Nations. In Lebanon the study mission was permitted to visit only what was acknowledged to be the best refugee camp because the hostility against Americans was so great in the others that the group would not be safe. The United Nations Country Director for Lebanon (a Frenchman) had not visited two of the worst camps for a year because of the hostility of the people toward United Nations officials. Certain refugee leaders, although not living in camps themselves, told the study mission that in some camps the residents would not even allow a window to be repaired since such action would be in the direction of resettlement (because the housing would be made more permanent). Any further steps to be taken with regard to the refugees must give full recognition to these emotional factors.

All of the projects for resettling any substantial number of refugees so far proposed involve large-scale land-reclamation developments, none of which is as yet really under way and all of which will take 3 or more years to complete. After completion, the process of getting the people in the camps settled on the land and the land into full production will inevitably take several years more. These conditions appear to be unavoidable. The countries in which the refugees are to be settled are among the poorest in terms of agricultural resources to be found in the world, and the refugee farmers have been following a pattern of village life and of farming technique which have not been changed significantly for centuries.

E. RECOMMENDATIONS

The study mission is convinced that a new approach to solving the refugee problem should be oriented as follows:

First, it is necessary to induce a desire on the part of the Arabs to work out a solution to the problem. Such a desire does not exist at present.

Second, the status of the refugees as a special group of people who are wards of the United Nations should be terminated as soon as possible. The objective should be for refugees to become citizens of the Arab States and, if necessary, they should be made wards of the Arab governments pending their admission to citizenship. This process should not be delayed until new land is available for settlement. Ten years from now the transition will be much more difficult. We do not want the refugees to follow a course comparable to that of the American Indians on reservations.

Third, responsibility for administration of the program should be transferred to the Arab States and should be distributed in such a way as to provide an incentive to the Arab governments to open their doors to the refugees and to assimilate them.

1. Inducement to Arabs to work out solution

(a) Proposals for action concerning refugees should be accompanied by proposals for action regarding other phases of Arab-Israel relations. As pointed out previously, the Arabs currently are more interested in their overall relationship with Israel than in the refugee problem as such. If progress can be made toward relieving the tension between Israel and the Arab States in other ways, the Arabs would find it in their interest to find a solution to the refugee problem.

An approach to the general Israel-Arab problem is discussed in another section of this report.

(b) The United States should announce that it will contribute no further assistance to the refugees as such after a specified future date. This would put the refugees and the Arab governments on notice that the status quo cannot be maintained indefinitely.

(c) The United States should indicate its willingness to contribute to the development of countries which provide homes for refugees and admit them to equal rights with their own citizens.

A carefully worked out program including the above elements should be of immediate interest to the Arab governments.

2. Ending status of refugees as wards of the United Nations

The study mission believes that the longer the refugees are maintained as wards of the United Nations the more difficult their assimilation by the Arab countries will become. Those in the camps have already been kept 5 years in idleness, and it apparently will be 5 years or longer before any substantial numbers of them can be relocated and earning their way in the world. In the meantime, children will be growing up whose formative years will have been spent entirely in camps. If it is made clear to the Arab countries and the refugees that their former homes in Palestine cannot be restored and that their future will inevitably be in the Arab nations, the process of resettlement should be greatly facilitated. The United States should indicate, however, that a transfer of responsibility for the refugees from the United Nations to the Arab States does not mean that the United States washes its hands of all responsibility. We should give help to the host countries in developing their resources so that a substantially larger population can make a living, and we should contribute to the financing of the relief burden for an interim period while land-reclamation work goes forward.

The refugees will be more quickly, more effectively, and more cheaply resettled if 10,000 new farms are brought into being in a country, which are available to the inhabitants of the country and refugees alike on a nondiscriminatory basis, than if projects for creating 10,000 new farms are carried on in a country, the farms being reserved for refugees alone and the refugees isolated and "institutionalized" in the meantime. If a government will give assurance that it will give refugees full citizenship status and then proceed with development programs for the benefit of the country as a whole, the refugees should be able to reestablish themselves. No government can be expected to really put its shoulder to the wheel for a program which benefits a group of outsiders more than its own people.

3. Administration of aid should be turned over to Arab States

The study mission agrees in general with the recommendation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), that the administration of the camps should be turned over to the Arab States. The Arab States will object but it is essential that they realize that the refugees are people who are with them to stay. Furthermore, it is not sound for the United Nations to continue camp operation in the face of continuous hostility and harassment, not only on the part of the inmates but also, frequently, on the part of the host governments.

The refugees are currently distributed among the host countries without regard to the ultimate capacity of the countries to absorb them. In granting aid to countries to permit them to care for the refugees, an effort should be made to give incentives to those countries with greater potential land resources to accept the transfer of refugees from nations such as Jordan and Lebanon which have more refugees than there is any reasonable expectation can be resettled within their boundaries.

4. *Compensation*

There is no question but that the Arab owners of immovable property which is now being utilized by Israel should receive compensation from Israel. If, because of Israel's limited resources, it is impossible to discharge such obligations for compensation at present, a funding arrangement should be developed so that the rights of the refugees in this respect will not be completely ignored. Prompt action on this problem would go a long way to reduce Arab hostility toward Israel.

F. PLIGHT OF THE REFUGEES

The study mission recognizes that its recommendations regarding the refugees are adjusted to current realities, are designed to make a bad situation better, and leave upon the shoulders of the refugees a disproportionate share of the burden. This does not indicate a lack of sympathy with the refugees, however. In the judgment of history, whoever may be blamed for what has happened, it is clearly not the ordinary man from a village in Palestine who was tilling the soil as his ancestors had done before him for more than a thousand years. The hardships which have been imposed upon him and his family are not his fault. He deserves the sympathy and the help of the entire world. In making its recommendations, the study mission believes that the course of action proposed will serve the interests of the refugees better than any alternative which is at present possible. This is a human relations problem and no effort is made here to minimize the seriousness of it.

IV. IMPROVING ARAB-ISRAEL RELATIONS

A. ARAB ATTITUDE

The Arabs vehemently deny the existence of any moral or legal justification for the creation of Israel as a sovereign state. Moreover, they insist that the United States as one of the nations chiefly instrumental in the establishment of Israel must assume its full share of responsibility, financially as well as morally, for a solution to the refugee problem. To suggest that there would have been no refugees if the Arab community had agreed to the United Nations partition plan only provokes heated argument because of Arab insistence that this had been their land for 2,000 years, and that no one had the right to take it from them. Furthermore, the Arabs state without equivocation that the refugees were driven from their homes by the Israelis; that this action was cruel, premeditated, and a crime against humanity which those who themselves had been persecuted in other lands should have been the first to recognize. Also, they express a strong conviction that if they had agreed to partition it would have been only a

question of time before Israel, with financial and other assistance from world Jewry, would have dominated the Arab section.

The Arabs maintain, too, that Israel's frequent expressions of willingness to negotiate a peace are fraudulent. In support of this contention they call attention to the law granting Israeli citizenship to any Jew who desires it; to the efforts of Israel to build up a population which they (the Arabs) say cannot be supported without further expansion into Arab territory, and to statements made by some Israelis who suggest that Israel's rightful borders lie beyond the present boundaries. These factors have created a suspicion in the minds of some members of the Arab community that Israel is planning a war against its neighbors.

In addition, Arab leaders assert that Israel's failure to comply with United Nations resolutions and mandates, its recent effort to divert the waters of the Jordan, the attack on Kibya and other Arab villages is conclusive evidence of that nation's ruthless determination to obtain its objectives regardless of international agreements or the rights of others.

B. ISRAEL ATTITUDE

Israeli leaders take vigorous exception to the Arab view that there is no sound moral basis upon which Israel's existence can be justified. First, they express the conviction that their new state represents the fulfillment of a biblical admonition. Secondly, they point to the fact that millions of European Jews were killed by the Nazi tyranny, and then ask if common humanity didn't demand a haven of refuge for the survivors. Thirdly, they insist that the moral justification implicit in the granting of independence to the Arab States which had been under League of Nations mandates was no greater than that involved in the establishment of a Jewish homeland in another mandated area where nearly a half-million Jews were living at the time.

The Israelis are very emphatic in stating their position on the refugee question. In their view there would have been no problem if the Arabs had agreed to partition or had not attacked Israel. According to Israeli spokesmen the refugees left their homes voluntarily or under orders from Arab leaders with the assurance that Israel would be destroyed and all Israeli property confiscated.

Partisans of Israel hold that the Arabs are not concerned with the plight of the refugees in their countries. These people maintain that a modicum of sympathy would have persuaded the Arabs to institute or at least consider programs for the resettlement of the refugee population. The Israelis describe with considerable pride their achievement in reestablishing 300,000 Jewish refugees from Europe together with a greater number of Jews who emigrated from the Arab States.

The general attitude of Israel is that Arab politicians are exploiting the refugee question as a means of furthering their own selfish purposes; to distract attention from corruption in Arab governments; to draw their people's minds away from any consideration of proposals to remedy the insufferable social and economic conditions which prevail in Arab countries; and, also, to maintain the status of the wealthy, landowning class.

Furthermore, the Israelis indicate a firm belief that the Arabs are determined to attempt the destruction of Israel. As justification for

this assumption they stress the failure of the Arab leadership to respond to Israel's repeated overtures for a peaceful resolution of the controversy. They point to the constant reiteration of the Arab threat to drive the Israelis into the sea; to the extensive efforts they have found necessary in order to safeguard Israeli citizens against attack from Arab marauders, and to the blockade and boycott imposed against Israel by the Arab States. And as additional evidence in support of their claim of Arab intransigence and lack of good faith, the Israelis cite the failure of the Arabs to give any consideration to the possibility of joint participation in projects which would be beneficial to both the Arab States and Israel.

C. NEED FOR OBJECTIVITY

The study mission believes that all Arab and Israeli leaders with whom it visited were honest and forthright in voicing their opinions. It cannot escape the conclusion, however, that at times emotional reactions were so predominant as to obscure realities.

The study mission is convinced that the United States, as a friend of Israel and of the Arab States, is anxious to do all within its power to resolve the differences between them. It understands the enduring qualities and strength of the threads of sentiment and tradition woven into the controversial fabrics of Israel and the Arab world. But it also realizes that a prolongation of existing tensions may well jeopardize political and economic stability in the Near East.

The study mission earnestly hopes that the recommendations it is about to make will lead to greater objectivity on the part of all concerned.

D. RECOMMENDATIONS

1. The United States should seriously question the advisability of granting aid to nations which do not comply with United Nations decisions or directives.

2. The United States should serve notice that it will not support the return of the Arab refugees to their former homes within the boundaries of Israel under existing conditions.

3. The study mission endorses and believes that the United States should reemphasize its position concerning the present frontiers of Israel as stated in the three power (United States, United Kingdom, and France) declaration of May 25, 1950, and repeated by Secretary of State Dulles on June 1, 1953. This declaration included the following statement:

The three Governments, should they find that any of these states [of the Near East] was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation.

4. The United States should press for compensation by Israel to refugees for real and personal property lost.

5. The United States should press for a lifting of the blockade of Israel by the Arab States and should urge that the Arab States end their boycott of Israel and of United States firms doing business with Israel.

The solution of these problems will not in itself end the hostility between Israel and the Arab States. But a beginning of negotiations toward alleviating these tensions would be a marked step forward and is a prerequisite to a settlement of the refugee problem. The influence of the United States is sufficiently great in the Arab countries and in Israel that if we state clearly and firmly what our policy is in regard to the above issues, the study mission is confident that progress will be made.

V. NATURE OF UNITED STATES ASSISTANCE

The nonmilitary assistance provided by the United States to the Near East is set forth in the following table. Military assistance is not included because the figures are classified.

Breakdown of Mutual Security Program assistance, by country, for selected Near East countries, 1952, 1953, and 1954

[Thousands of dollars]

Country	Technical assistance 1954	Allocations for technical assistance 1952, 1953 funds	Special economic aid		
			Fiscal year 1952	Fiscal year 1953	Fiscal year 1954
Iran	12,057	45,806	-----	-----	-----
Israel	1,487	2,966	63,500	70,228	-----
Arab States.....	¹ 13,040	-----	-----	-----	-----
Egypt.....	-----	13,033	-----	-----	-----
Iraq.....	-----	2,100	-----	-----	-----
Jordan.....	-----	6,119	1,264	-----	-----
Lebanon.....	-----	3,970	-----	-----	-----
Saudi Arabia.....	-----	1,736	-----	-----	-----
Regional.....	² 955	3,890	-----	-----	³ 147,000
Total Near East.....	26,534	79,620	-----	-----	-----

¹ Country breakdown has not yet been released.

² Included in Arab States.

³ Regional "package program" for Near East and Africa. Country allocations have not been released. \$26,250,000 for Israel and \$36 million for the Near East have been made public as part of fiscal year 1954 program for those countries.

The study mission, as a result of its observation of the scope and the administration of United States aid programs in the countries of the Near East, believes that the basic objectives of United States foreign assistance should be reexamined and redefined. There appears to be a tendency on the part of United States personnel administering the point 4 program in the Near East to believe that the amount of money to be spent in each country should be determined primarily by the need of the country for our help.

It is difficult to justify giving aid to foreign nations for any reason other than that it contributes to the attainment of the objectives of United States foreign policy. Few Members of Congress could support the levying of taxes on the American people and then the appropriation of money so derived as charity. The prevailing sentiment in the United States is that contributions to charity should be made by each individual for himself and should not be levied against him by governmental fiat.

If this basic premise is accepted, it follows that the amount of assistance which the United States provides to a country is not determined primarily by the need of the country—measured in terms of

such things as health, poverty, or undeveloped resources. It is clear that there are some countries which it is more to our advantage to help than others, and that among the countries receiving United States aid it is in our interest to give more to some countries than to others. Conversely, it cannot be said that the United States Government has any obligation or responsibility to provide assistance to another country merely because its living standards or the development of its resources are lower than is the case elsewhere. The starting point in determining how much aid should be given must be an evaluation of the advantage to the United States of giving such assistance.

This does not mean that all assistance to a country should be immediately balanced by a commensurate service rendered by that country to the United States. There are many ways in which the United States can benefit as a result of giving such assistance. In some cases the objective may be merely to make a single gesture that will receive favorable notice in the press. In other instances assistance might be of such a nature as would indicate to as large a number of people as possible within a short period the friendship and cooperation of the United States. There will be occasions when aid should be given to overcome a fundamental weakness within a nation even though its impact on public opinion may be long delayed. Sometimes it may be desirable to provide competent technical advice and assistance to officials of governments with no fanfare whatever. There may even be circumstances when the willingness of the United States to cooperate in a project, which will not produce tangible benefits for several years, may be of very great immediate advantage in giving encouragement to a people or backing to a government.

The significant factor is that the object should be the attainment of our purpose, not the state of backwardness of the country.

It should be pointed out, in addition, that in viewing these considerations, the argument which is frequently set forth that point 4 aid should be limited to the provision of technicians and the making of demonstrations, rather than the supply of commodities or capital equipment, loses some of its validity. The United States should be free to give aid, within the limits of the funds available, of whatever nature is necessary to accomplish our objectives. If the purpose of advancing assistance programs is limited to advancing the foreign policy of the United States, it is probable that in the future the emphasis will be placed upon specific proposals which would produce rather more immediate results, than upon long-range projects.

VI. OTHER TENSIONS THAT EXIST IN THE AREA

A. IRANIAN OIL

The study mission believes, after discussing the matter with the Shah, the Prime Minister, and the United States Ambassador to Iran, that the present Iranian Government is anxious to get petroleum production started again in Iran. The present Government of Iran is sincerely concerned with improving the welfare of its people and recognizes that all of the resources of the country must be utilized if this is to be accomplished. Furthermore, Iran is on the verge of bankruptcy. The Mossadegh regime had used up all the working

capital of the country and it was only the grant of United States funds shortly after the restoration of the Shah on August 19, 1953, that permitted the payment of Government salaries and other current bills so that the Government could continue to function.

The Iranian public has been thoroughly convinced that the expropriation of the property of the Anglo-Iranian Oil Co. was a good thing. The people of Iran, although they did not approve of the last months of his regime, have a warm spot in their hearts for Mossadegh and regard him as a great patriot because he drove out the British.

Under the circumstances the new government cannot, in order to restore petroleum production, do anything that appears to be a reinstatement of the British to their former position in Iran or a surrender of the Iranian oil fields to foreign owners.

The situation is further complicated by the developments which have taken place in the world oil situation since Iranian production was cut off. Supplies of crude oil are more than adequate at present. The enormous fields of the Persian Gulf are all producing at much less than capacity. If more crude is needed, the major oil companies (all of which have an interest in at least one Persian Gulf production company) would prefer merely to open the valves a little wider in the fields already operating rather than inject themselves into the complex situation in Iran. Additional refining capacity has been built in oil-consuming countries as well as in the Near East, which makes the refinery at Abadan less useful than formerly.

An especially difficult situation exists with regard to the Abadan refinery. The Government of Iran is reported to have kept 20,000 people on the payroll there during all the time it has been shut down, partly to maintain the plant and partly to prevent these people from being unemployed. The outside of the refinery installations is reported to be well polished, but it has been estimated that several million dollars will have to be spent to get the plant into operation.

The marketing of petroleum is a complex and highly organized business. The oil of Iran must ultimately reach the consumer through filling stations, tank trucks, tank steamers, etc. The only way to bring this about within a reasonable time is to work out arrangements with petroleum marketing companies to handle Iranian oil. Such an arrangement would necessitate a curtailment of petroleum production in other Persian Gulf fields to make room for the Iranian production. It will be extremely difficult to persuade the Governments of Saudi Arabia, Kuwait, and Iraq that they should permit their oil revenues to be reduced in order that the petroleum industry of Iran can get back into operation.

1. Recommendations

(a) The study mission believes that the working out of an oil agreement should be given the highest priority by the Government of Iran. It will be extremely difficult for the United States to justify additional United States funds to assist Iran if that nation is not making full use of its own resources.

(b) The United States should do all in its power to assist in working out arrangements for the production and marketing of Iranian petroleum products.

In all cases where settlements are reached following expropriation of American-owned property by foreign governments, the United

States should support a policy that compensation must be adequate in order that expropriation will not appear to be an attractive venture to other nations. The experience of Iran has provided a valuable lesson to the entire world in the complexities of the economics of the oil industry. It has been made clear to every oil-producing nation that you cannot simply close up shop whenever you please and then open the door and resume business whenever you feel like it. The final settlement in Iran should not obscure this lesson.

B. POLITICAL INSTABILITY

Most of the countries of the Near East have only recently emerged from a status of dependency upon some European power. The people of the area are conscious of the inadequacy of their economic and social conditions and are seeking measures to bring about a quick and substantial improvement. Their first reaction in many cases was that their ills were due to exploitation by Europeans and that after the foreigners were thrown out conditions would be much better. In some countries they have begun to learn that driving out the Europeans has not solved such basic problems as health, production, and unemployment. There is a tendency for the public to shift the blame for the lack of progress from the foreigners to the government of the country. This results in political unrest which handicaps the government and prevents the private investor from engaging in the sort of long-range developments which are essential to an improvement in the standard of living. Until there is political stability in the Near East real progress in improving the lot of the people is impossible. One of the primary objectives of the leaders of these countries should be to eliminate the atmosphere of agitation, expropriation, and government by riot which is found in too many Near Eastern countries.

C. SUBVERSION AND THREAT OF COMMUNIST AGGRESSION

The Near East offers unusual opportunities for subversion by Soviet agents. Many of the countries have newly won their independence and because of their strong reaction against colonialism resist assistance and cooperation from western nations. At the same time some of them are not strong enough to withstand serious and well-organized internal disturbances. In spite of frequent attacks on the United States in the press and occasional denunciations by government officials in some countries, it is the impression of the study mission that all the countries visited really looked to the United States for leadership and assistance. We cannot ignore this attitude.

VII. IMPORTANCE OF THE NEAR EAST TO THE UNITED STATES

At a time when the world is divided into two dominant opposing forces few can doubt that friendly and cooperative attitudes on the part of nations in strategic locations contribute to our own national security.

The Near East is one of the most strategic of strategic areas. For centuries, as the crossroads between three continents, it has been a paramount consideration in all military thinking. Should this area

fall under Russian domination, the Suez Canal and the principal air routes from Europe to India and to the Far East would be denied to the free world.

The United States has a vital and long-range interest in the Near East entirely apart from, and in addition to, our concern with the cold war and other current international tensions. In this area lie 54.7 percent of the world's petroleum reserves. As of January 1, 1953, the proven crude-oil reserves of the world were calculated to be 118.7 billion barrels, of which 64.8 billion barrels were located in the Near East. On this same date the reserves of the United States were calculated to be 28 billion barrels. The oil rights in Saudi Arabia, one of the largest oil-producing countries of the area, belong to the Arabian-American Oil Co., which is entirely United States owned. One of the fields which this country operates in Saudi Arabia has 66 wells, which produce more crude oil than the entire State of California which has 30,000 wells. United States companies own substantial interests in the companies operating in Kuwait and Iraq which are currently the other largest producing countries in this part of the world. It would seem of strategic importance that our policy should be directed toward insuring the retention by the free world of access to these oil resources.

Admiral Arthur W. Radford, Chairman of the Joint Chiefs of Staff, indicated the significance of the Near East in a recent speech when he said:

The importance of the Middle East to the free world can hardly be overestimated militarily and economically. First, its huge oil reserves now supply most of the requirements of Europe, and their loss would be disastrous. Second, its geographic location is astride the lines of communication between West and East. And, third, it is only in this area that the Soviets have no satellite buffer states.

A HUMANITARIAN CONCERN

The United States has an immediate and direct interest in the welfare of the area because of a humanitarian concern for the more than 800,000 Arab refugees who are unable to return to their homes in the State of Israel. Until provision has been made for these refugees to reorient their lives, their fate inevitably concerns us. The United States Government and United States citizens as individuals have made the largest financial contributions to Israel in the first years of its existence. The United States has approved the policy of the Government of Israel of providing refuge to Jews who have been subject to persecution in various parts of the world. The welfare of the people of Israel is of continuing concern to the United States.

VIII. ARAB UNIFICATION

There is strong sentiment among the people of the United States and in the Congress in favor of the joining together of small and weak countries on a regional basis to form larger political units in the belief that such larger units would be politically and economically stronger. This sentiment, together with the publicity which has been given to the activities of the Arab League and the record of the Arabs in World War I, has led to considerable optimism in the United States that the problems of the Near East can be solved on a regional

basis and that a unification of the Arab States might be sufficiently advanced to make a substantial contribution to such a regional effort.

The study mission has found no evidence that there is a vigorous movement in the direction of Arab unification. Most government officials and other people with whom the matter was discussed agreed in principle that unification was desirable. All cited, however, various obstacles and said that there were national problems requiring attention before a major effort should be made in the direction of federation.

In explaining the difficulties of drawing the Arab States into a single organization, leaders of Arab governments emphasized the special status of foreign nations in certain countries. Some said they could not join with nations who permitted foreign troops to be stationed on their soil. Others said they could not join with neighbors who had special treaty obligations to foreign powers.

There are also the religious differences, previously mentioned, including the conflicting Moslem sects as well as the Christian and other minority religious groups.

Syria and Lebanon have strained economic relations. Syria has imposed a variety of commercial restrictions on trade with Lebanon in order to develop its own commercial firms and prevent Lebanon from continuing its traditional role as middleman for Syria in foreign trade.

The Arab world is divided as to the possession of oil. Kuwait, Iraq, and Saudi Arabia have oil in abundance and can look to a prosperous future. Jordan, Syria, and Lebanon have no oil and Egypt has only a little. If the petroleum wealth of the Near East could be diffused throughout the entire area the outlook would be bright. At present, however, the countries with oil are skeptical of plans for economic integration with their less fortunate neighbors.

The Arab League is frequently mentioned in the press but its function has been almost exclusively to oppose developments in Israel. So far, the league has never been able to agree upon or carry out any program of constructive action.

It must be recognized that each of the governments in the Near East has a vested interest in continuing its national independence. No group of officials wants to surrender its prerogatives to someone else. It will take an extraordinary stimulus to bring and hold these conflicting interests together.

A. RECOMMENDATIONS

While political unification of the Arab countries does not seem likely in the foreseeable future, the study mission does believe that a greater degree of economic integration is possible, and that this would be highly beneficial to the nations involved. The construction of a highway to connect the Mediterranean with the Persian Gulf, which is being discussed in the area, would be a step in this direction.

The mission also believes that a regional defense pact would add immeasurably to the security of the area, and that this should be encouraged by the United States; only, however, after complete assurance has been given other nations that such forces will be used solely for the purpose of resisting attack.

IX. NOTES ON COUNTRIES VISITED

The study mission did not attempt to survey or to analyze in detail the problems of the individual countries visited. Its observations concerning various situations in these countries are set forth below in the belief that they will contribute to an understanding of current conditions.

A. EGYPT

The study mission was very favorably impressed by the competence and sincerity of President Naguib and of those members of his Cabinet with which it had contact. General Naguib appeared to be idolized by the people and to be striving wholeheartedly to improve their welfare. His revolutionary government was established by a group of young army officers, none with a rank above colonel. One evidence of their sincere concern for the welfare of their country is the fact that as yet all of these men continue to occupy the modest quarters in which they lived before the revolution and to receive the same salary as before. President Naguib continues to reside in the same house in which he lived as a major general in the Egyptian Army.

1. *Suez base*

The most important issue in Egypt at the time of the study mission's visit (late September, 1953) was the status of the British military base in the Suez Canal area. The mission spent a day inspecting the base and talked to the principal British officials. The Egyptians regard the continual presence of British troops on their soil as an infringement of their sovereignty. They express a willingness to have the base continue to operate because they recognize its value in defending the Near East, but insist that it be operated by Egyptians. The British are extremely reluctant to write the base off, not only because of its strategic location, but also because of the enormous investment in supplies, equipment, and installations which it represents.

The study mission made no effort to form a judgment as to the military significance of the Suez Base. There are two contributions which it would like to make to the discussion of the base problem. First, the base is stocked with materiel and equipment, most of it carried over from World War II, designed for the use of British troops. There is an enormous quantity of this. To the extent that Near East defense forces may not be able to use British equipment the value of the depot stocks will decline.

Second, there is a serious question whether it is possible in time of war for a base manned and operated by Egyptians to serve British forces effectively. A supply depot is not like a factory which, when it completes a finished product, turns it over to the customer and forgets about it. A military depot has to be fully integrated with the field operations of the forces it serves so that there is mutual confidence and effective teamwork. It does not seem likely that there can be such teamwork between the British and Egyptians who dislike and distrust each other. The housekeeping job of maintaining the base in peacetime can probably be done by Egyptians. But it does appear unlikely that during a period of war the fighting forces in the field could be served adequately under such an arrangement. Moreover,

any military base located in a hostile environment where indigenous labor either cannot be used or cannot be trusted would be of questionable value in wartime.

The study mission is not inclined to pass judgment upon the points at issue between the British and Egyptian Governments with respect to the Suez base, but it does hope that these can be resolved in the interest of the free world.

2. Development program

The present Government of Egypt is determined to improve the condition of its people. It recognizes the need for developing the resources of the country. There is a tendency to look more to the benefits to be derived from large-scale and very expensive irrigation projects than to rely on the slow progress resulting from improvements in techniques in agriculture, from better health, and from a broadly based educational program. The Egyptian Government attaches great importance to constructing a second and higher dam across the Nile near Aswan, which is supposed to bring 2 million additional acres under cultivation at a total cost of \$500 million. They hope that the United States will finance a substantial portion of this amount.

3. Attitude toward the United States

There is no question that Egypt is friendly to the United States and looks to us for guidance and assistance. The Government realizes that without outside help it cannot bring about improvements rapidly enough to convince the people of its concern for their well-being. The study mission believes that it is impossible for the United States to do for Egypt all that its Government feels that we should.

B. LEBANON

Lebanon, although a poor country by American or European standards, has a higher per capita income than any other Arab country. Its people are 80 percent literate, which is far in excess of any other of the Arab nations. Beirut, the capital, has the physical characteristics of a European city.

Lebanon is strongly oriented toward the West. Lebanese have migrated in large numbers to North and South America and the remittances they send home are an important element in the nation's balance of payments. Although there is a problem of chronic unemployment and a considerable number of frustrated intellectuals who are receptive to communism, there is no doubt that the country is on the side of the West and is not pro-Soviet.

The refugees from Palestine present Lebanon with its most urgent problem. Lebanon is a very small country, about the size of Delaware, with a population of 1,250,000. The refugees constitute 10 percent of the population of the country. Lebanon is already suffering from chronic unemployment and has very little additional land which could be brought under cultivation. A further difficulty created by the presence of the refugees is the danger of upsetting the Christian-Moslem balance in the country. The population of Lebanon has been historically about 52 percent Christian and 48 percent Moslem. The representation in the Parliament is by religious groups, there being a variety of Christian sects (Maronites are the largest) and of non-Christian religions. The refugees, although including many Chris-

tians, are predominantly Moslem. If they become full citizens and permanent residents the Christians will become a minority group. This they will resist to the bitter end.

The study mission was impressed with the statesmanlike attitude and the sincerity of President Chamoun. His approach to all problems appeared to be constructive. It seems clear that any solution of the refugee problem should provide for the transfer of a substantial number of refugees to other countries.

C. SYRIA

It is important to note that Syria has never received any United States aid. This apparently is due less to any inherent objection to receiving assistance than to preference for types of aid different than those which have been available. Syria has not been interested in technical assistance from the United States but indications are that it would be more receptive to large-scale financing of development projects and possibly to the availability of military assistance.

Syria is of immediate interest to the United States primarily because there is the possibility of settling a large number of Arab refugees within its borders. In northern Syria, near the Euphrates River, there is land which could be irrigated which formerly supported a much larger population than lives there at present. Many Syrians are living under very unsatisfactory conditions and the Syrian Government is not willing to cooperate in a development program which will benefit "foreigners" more than its own people. On the other hand, Syria has no oil and cannot finance a large-scale land-reclamation program without outside assistance. It is possible that something may be done along this line which will provide benefits for both the people of Syria and a substantial number of refugees.

The study mission did not have an opportunity to talk to President Shishakli. His Government remains essentially a military dictatorship and the study mission did not find evidence of popular enthusiasm for the regime comparable to that apparent in Egypt and certain other countries.

D. IRAQ

Iraq is a country where the great majority of the people live in greatest poverty and where sanitary and educational standards are very low. In this respect it resembles the neighboring Arab States. It does have a very large oil production, however, and is devoting 70 percent of its oil revenue to financing a development program. Much of the planning for this program is already completed, and construction of several large projects is under way, but the program is not yet far enough along to have much impact on the public generally.

Particular emphasis is given in the development program to irrigation and to flood control. Prospects of favorable results are increased by the fact that in ancient times the area which is now Iraq, with a population of 5 million, supported a population of 20 million. The United States is giving assistance under the point 4 program but the money has gone into providing the services of American technicians, not into construction. Iraq spends \$25 for each dollar the United States has spent on the projects in which we cooperate.

The young King of Iraq had set up a new Cabinet shortly before the arrival of the study mission, made up predominantly of men who had not been major political figures but instead had a good deal of training and experience in the various phases of government for which they were assigned responsibility. The Prime Minister holds a degree from Columbia University and several of the others were educated at near eastern universities of western origin, such as the American University of Beirut.

The study mission formed a very favorable impression of the competence and the sincerity of this Government. A large-scale program for improving the lot of the common man in Iraq is under way and appears to be directed by well-equipped officials. There is a question in the minds of the study mission whether it does not place too much reliance on dams and canals, which cost millions of dollars and which require large movements of population together with major political and social adjustments, while giving too little emphasis to the less spectacular and smaller steps that have to be taken, in education, public health, and social and economic reorganization, which are essential to a real improvement in living standards.

Iraq has close ties to the United Kingdom. A treaty entered into in 1936 which expires in 1957 gives the British rights to military bases and other benefits in Iraq while providing British guaranties for the defense of the country. The oil development of Iraq is managed by the British although United States, French, and Dutch oil companies have minority interests. Nevertheless, the study mission found a strong leaning toward the United States in Iraq. There were references to the possibility of obtaining United States military aid and a desire was expressed for increasing the number of United States technicians to be made available under the technical assistance program.

E. IRAN

The most important issue confronting Iran at the time of the visit of the study mission was the oil problem which has been discussed in detail above.

The study mission was impressed with the energy and sincerity of the Shah and with his understanding and judgment on the issues with which he was confronted. He is devoting himself wholeheartedly to the welfare of his people. Premier Zahedi and his Government gave every indication of being governed by the highest motives and appeared to have a firm grasp of the situation.

The people of Iran appeared to be most friendly to the United States. All of the Americans to whom we talked said that the anti-American demonstrations and the writing on the walls of "Yankee go home" stopped over night on the 19th of August, when the Shah was restored to power. The Americans are convinced the whole anti-American agitation was organized and inspired by Mossadegh and the Communists.

The study mission was informed that the restoration of the Shah was evidently a spontaneous movement on the part of the people of Teheran, and the participation of the military was not organized or directed. Apparently a group of leading citizens who had always been close to the Shah went to a major street intersection, saying that

they would at least shout for the Shah. They felt that they were in trouble anyway if Mossadegh remained in power and had nothing to lose by shouting. They were immediately joined by large numbers of passers-by. When a truckload of soldiers appeared, the crowd gave a few yells for the Shah and got ready to run. To their surprise the soldiers got off the truck and joined in the demonstration. Other soldiers also joined individually and in groups until it was clear that the city was behind the Shah and opposed to Mossadegh.

The people of Iran expect the present regime to do a lot for them in a hurry. The country is nearly bankrupt and it will take time to get conditions restored even to the pre-Mossadegh level. The Shah and the Premier face difficult days ahead.

That Iran remain free of Soviet domination should be a matter of real concern to the United States. Because of its strategic location and its oil reserves, a friendly and politically stable Iran is important to the security of the United States and to that of the free world generally.

F. KUWAIT

Kuwait is a small country (150,000 population) governed by a sheikh with the advice of a British political agent. It contains what is probably the largest and best single oilfield in the world. The oil concession is owned half by a British company (Anglo-Iranian) and half by a United States company (Gulf).

The Government is tribal in origin. The ruling sheikh is determined, however, to use the resources of the country for the benefit of his people and a large proportion of the oil revenue is being used to finance a development program. Roads and school buildings apparently are receiving first priority. The study mission was very much impressed with the statesmanship and vision of the ruler, Sheikh Sir Abdulla Al Salim Al Subah.

Kuwait does not receive or desire any United States assistance. The United States has maintained a consulate there since 1951. Because of the importance of the oil of the Persian Gulf to the United States and the interest of a United States company in Kuwait production, the study mission believes that the United States should be adequately represented. The facilities provided for our consul and vice consul are far from adequate. The house in which the vice consul and his wife lived was deplorable. It lacked even the minimum comforts which any American has a right to enjoy. Kuwait is a hot, humid, primitive place. The United States should provide for its representatives in such a manner that they can live decently and can represent the United States with dignity.

G. SAUDI ARABIA

The study mission limited its visit to Saudi Arabia to Dhahran, on the Persian Gulf, which is the headquarters for the Arabian-American Oil Co. and the location of a major air base operated by the United States Air Force in cooperation with the Saudi Arabian Government. The mission did not visit the capital of the country, Riyadh, or Jidda where the United States Embassy and other principal diplomatic missions are located. Consequently, the mission did not meet major

officials of the Government of Saudi Arabia or the principal United States officials, including the Director of the point 4 program.

The United States has a direct interest in two major operations in Saudi Arabia—the air base and the oil development. The air base, with facilities necessary for effective operations, has been built at Dhahran by the United States for the Government of Saudi Arabia. The United States is permitted by Saudi Arabia to use this base as an air transport field. At present no combat planes are located at Dhahran. The facilities are manned by United States Air Force personnel.

The significance of the oil of Saudi Arabia to the United States has been discussed above. The study mission had an opportunity to visit the facilities of the Arabian American Oil Co. (Aramco) and found these most impressive. Aramco officials explained that it was their policy to recognize that the company was there as the guest of the Arabs and that the oil resources of the country belonged to Saudi Arabia. Aramco has a 50-50 profit-sharing arrangement with Saudi Arabia and is very careful to have its personnel conform to Arabian law and regulations.

There was a strike involving nearly all the Arabian employees of Aramco and the Arabian employees at the airbase during the visit of the study mission to Dhahran. The Saudi Arabian Government provided troops to maintain order (very effectively) and took the position that the Government represented the people in dealings with the oil company. The Government said it would look after the grievances of the employees and ordered the people back to work. They did not return immediately. The strike was not directed to any specific issue such as higher wages. The strike leaders said they wanted amenities equal to the Americans' without being very precise as to what they meant. Aramco says they already have this. Arab executives have exactly the same pay and housing as Americans. There are no Americans working as manual labor.

It may be that the strike is a symptom of a growing feeling among the people of Saudi Arabia that the Government is not using the oil revenues for their benefit. The Government of Saudi Arabia has a tribal structure and the oil income has always gone to the King to use as he wishes. The late King financed many projects which have improved conditions and there is no question that the oil industry has made it possible for thousands of Arabs to increase their standard of living manyfold. Nevertheless, there has been no comprehensive, organized development program to assure that the oil money will help the public generally, such as is the case in Kuwait, and the people may be restive as a consequence.

H. JORDAN

Jordan has a population of 1,400,000 of whom 475,620 are refugees. The refugee problem within the framework of the entire question of relations with Israel receives first priority among the issues confronting the Government of Jordan. Jordan is a country which was established following World War I by drawing lines on a map. It has no natural resources other than land, most of which is desert.

Jordan has admitted the refugees to full citizenship. The competition of refugee labor has depressed wages and living standards for the

rest of the population. Nevertheless there has been a sort of building boom in Amman, the capital, financed in part by capital of well-to-do refugees who were driven out of Palestine.

Jordan is the home of the Arab Legion, a fine-looking military force financed by the United Kingdom and trained by British officers. The United Kingdom also contributes to the economic development of the country.

The study mission was impressed with the determination of Prime Minister Fawzi Mulki and the members of his Cabinet to better the condition of the people of the country. The job with which they are faced is discouraging. The refugees and the continual trouble along the Israel border keeps the Government under continuous tension. Without British aid and, to a lesser extent, United States assistance, the country could not keep going.

Jordanian leaders want substantial grants from the United States to finance the construction of dams and irrigation projects. They feel that our point 4 assistance, although welcome, does not provide a solution to their problems. The study mission recognizes the inadequacy of the resources of Jordan to support the population at present within its borders. Nevertheless, it is difficult to justify the financing of large-scale land-reclamation projects of a magnitude involving \$50 million or more in terms of promoting United States foreign policy. It will be years before the benefits of these projects will be reflected in the lives of the general population. It is essential that marked progress be made in handling the refugee situation before such a date.

I. ISRAEL

The most striking thing about Israel is the progress in building up the country. The urban areas are characterized by modern apartment, commercial, and industrial buildings. The countryside from Beersheba on the south to Galilee on the north is dotted with new villages where agricultural workers have been settled. The city streets are jammed with traffic and there is a tempo which is more rapid than that found in any other country of the Near East.

Israel has a population of 1,600,000, of which about 700,000 are immigrants arriving after May 15, 1948. The program in Israel has involved not only expansion but reconstruction. The villages left behind by the Arab refugees have been utilized to only a limited extent. The people of Israel are being housed in new dwellings in communities following a European pattern. This does not mean that immigrants to Israel are being provided luxury quarters. The 1-room shacks in which families live during their first year or so in Israel are pretty bleak. They are, however, superior from the point of view of both health and comfort to the mud-brick villages of the Arabs.

Israel has better agricultural land than the countries lying east of it, but most of the land requires irrigation and much of it is mountainous and stony. Irrigation is being provided by means of pipes rather than ditches. This saves water but requires more capital. Industrial investment must be limited since Israel has little opportunity to manufacture for export, in part at least because of the Arab blockade and boycott.

The economic policy which has been followed in Israel is probably unique in world history. The standard of living of other new nations

